

EAST RENFREWSHIRE COUNCILCABINET4 December 2014Report by the Chief ExecutiveHOUSING CAPITAL PROGRAMME**PURPOSE OF REPORT**

1. The purpose of this report is to monitor expenditure as at 11 November 2014 against the approved Capital Programme for 2014/15 and to recommend adjustments where necessary.

INFORMATION PROVIDED

2. A reassessment of expenditure on individual capital projects (Appendix A).
A reassessment of the resources available for 2014/15 (Appendix B).

CURRENT POSITION

3. Total anticipated expenditure (Appendix A)	£ 4,973,000
Total anticipated resources (Appendix B)	<u>4,809,000</u>
Shortfall	<u>164,000</u>

INCOME MOVEMENTS

4. Estimated capital receipts from right-to-buy sales have been reduced by £119,000 below the level reported to Cabinet on 25 September 2014. The reduction reflects both experience to date and the anticipated year-end position.

5. As approved by Cabinet on 2 October 2014 Affordable Housing Resource grant totalling £400,000 has been added to the programme to fund of the purchase of 10 additional properties. Grant drawdown anticipated in the current financial year is £328,000 with the balance to be drawdown during 2015/16. This project will also be supported by a drawdown of £420,000 from Commuted Sums and 2nd Homes Council Tax Discount fund during 2015/16.

6. Following clarification of properties earmarked for the Roof and Render project during the current financial year the income from owner occupiers has been increased by £300,000. In the main this is an acceleration of income originally budgeted for 2015/16.

7. In response to the above income movements and the overall reduced level of estimated expenditure during the current financial year borrowing has been reduced by £1.365m.

EXPENDITURE MOVEMENTS

8. Expenditure has reduced by £841,000 below the level approved by Cabinet on 25 September 2014. The major expenditure movements are:-

Increases

- i. Purchase of 10 Properties (Off the Shelf Rental) – as approved by Cabinet on 2 October 2014 a total provision of £820,000 has been added to the programme. Estimated expenditure in the current financial year is £328,000.
- ii. Communal Door Entry – to meet the requirements of the Scottish Housing Quality Standard it is proposed to increase the current expenditure provision by £73,000. The actual expenditure incurred is dependent on cooperation from owner occupiers.
- iii. Mobile/Agile Working – it is proposed to increase the current expenditure provision by £60,000 fund an upgrade to the current software. This upgrade is necessary to enable mobile working.

Savings

- iv. Rewiring (including smoke/carbon monoxide detectors)– a saving of £66,000 has been achieved on this project following completion of tendering procedures and clarification of the work content. Expenditure in the current financial year has been further reduced as a result of revised project timing (see below).

Revised Project Timing

- v. The following expenditure reductions are a result of revised project timing:-

	£
Rewiring (including smoke/carbon monoxide detectors)	50,000
Combined Roofing and Render Works	1,040,000
Energy Efficiency (including cavity wall insulation)	100,000

Expenditure reductions resulting from revised project timing are not cost savings but simply a transfer of expenditure to future financial years.

COMMENT

9. The projected shortfall of £164,000 represents 3.4% of the resources available and is within manageable limits.

RECOMMENDATION

10. The Cabinet is asked to:-
- (a) note and approve the movements within the programme;
 - (b) approve the expenditure increase of £73,000 on the Communal Door Entry project;
 - (c) approve the expenditure increase of £60,000 on the Mobile/Agile Working project; and
 - (d) note the shortfall of £164,000 and that this will be managed and reported on a regular basis.

KEY WORDS

A report monitoring capital income and expenditure for Housing during 2014/15.

Key words: Housing, capital, monitoring, borrowing, expenditure.

Further information is available from Paul Parsons, Principal Accountant – Capital, telephone 0141 577 3123.

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8 December, 2014

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EAST RENFREWSHIRE COUNCIL

HOUSING CAPITAL PROGRAMME

PROGRESS REPORT

2014/2015

Appendix A
11 November 2014

COST CODE	PROJECT NAME	LEG COMM	ANNUAL COSTS £'000			COMMENT	TOTAL COST £'000		
			CURRENT YEAR APPROVED 25.09.14	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE IN YEAR		SPENT PRIOR TO 31.03.14	PREVIOUS TOTAL COST	REVISED TOTAL COST
9487	Rewiring 2013/15 (including smoke/carbon monoxide detectors)	Y	597	481	59	Work in progress	273	870	804
9763	Window Replacement		298	255	0	Work programmed	0	298	298
9764	Communal Close Windows		17	0	0		0	17	17
9531	Combined Roofing & Render Works 2013/15	Y	3,210	2,170	457	Work in progress	1,151	4,361	4,361
9486	Estate Works	Y	90	90	0	Work in progress	0	90	90
9483	Energy Efficiency (Including Cavity Wall Insulation)	Y	114	14	0	£100k deferred to 2015/16	21	135	135
9447	Aids and Adaptations	Y	208	208	72	Work in progress	0	208	208
9225	Renewal of Heating Systems 2012/15	Y	366	366	23	Work in progress	648	1,014	1,014
9447	Kitchen Upgrades	Y	54	100	11	Ongoing	0	54	100
9478	Bathroom Upgrades	Y	65	40	2	Ongoing	8	73	48
9479	External Doors	Y	37	45	0	Ongoing	43	80	88
9480	Communal Door Entry		17	90	0	Work to be programmed	0	17	90

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COST CODE	PROJECT NAME	LEG COMM	ANNUAL COSTS £'000			COMMENT
			CURRENT YEAR APPROVED 25.09.14	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE IN YEAR	
9489	Sheltered Housing 2014/15	Y	100	100	47	Work in progress
9625	Kerr Street Renovations	Y	436	421	1	Work in progress
9491	Mobile/Agile Working	Y	60	120	19	Work in progress
9492	Home Energy Efficiency Programme	Y	125	125	1	Complete - payments outstanding
	Purchase of 10 Properties (Off the Shelf Rental)		0	328	0	Approved by Cabinet 2 October 2014. Funded by grant, 2nd homes council tax discount and commuted sums fund.
	Retentions		20	20	9	
			5,814	4,973	701	

TOTAL COST £'000		
SPENT PRIOR TO 31.03.14	PREVIOUS TOTAL COST	REVISED TOTAL COST
0	100	100
14	450	450
0	60	140
0	125	125
0	0	820
0	20	20
2,158	7,972	8,908

EAST RENFREWSHIRE COUNCIL
HOUSING CAPITAL PROGRAMME 2014/15

Appendix B
11 November 2014

ANTICIPATED RESOURCES AVAILABLE

	£'000
Borrowing	3,354
Receipts From Sale of Council Houses	402
Contribution From Insurance Fund & CFCR (Kerr Street)	225
Affordable Housing Resource Grant	328
Recharges to Owner Occupiers	500
Total	4,809

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